

**NONCONSOLIDATED FINANCIAL REPORT
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2006**

November 9, 2006

Company name: SECOM Co., Ltd. (URL: <http://www.secom.co.jp>)
 Code number: 9735 Tokyo Stock Exchange ----- First Section
 Osaka Securities Exchange ----- First Section
 Corporate headquarters: Tokyo, Japan
 Representative: Kanemasa Haraguchi, President and Representative Director
 For inquiries: Katsuhisa Kuwahara, Executive Director Phone (03) 5775-8100
 Date approved by board of directors: November 9, 2006
 Dividends payment date: N/A
 Sales unit of shares: 100 shares (1 *Tangen*)

1. Summary of the nonconsolidated financial statements for the six months ended September 30, 2006
 (April 1, 2006 – September 30, 2006)

(1) Operating results (In millions of yen, figures rounded down)

	Six months ended September 30		Year ended March 31, 2006
	2006	2005	
Revenue	159,477	153,416	313,096
% change from the previous year	4.0%	4.5%	
Operating profit	36,706	36,285	72,172
% change from the previous year	1.2%	9.1%	
Ordinary profit	40,030	37,853	70,964
% change from the previous year	5.8%	9.6%	
Net income	25,156	23,845	43,879
% change from the previous year	5.5%	13.2%	
Basic net income per share (in yen)	111.82	105.97	194.58

Note 1. Weighted average number of common shares outstanding:

Six months ended September 30, 2006: 224,976,616 shares
 Six months ended September 30, 2005: 225,013,050 shares
 Year ended March 31, 2006: 225,002,496 shares

Note 2. Changes in accounting policy: Not applicable

Note 3. Percentage numbers shown in revenue, operating profit, ordinary profit and net income represent the change from the results of the corresponding periods of the previous year.

(2) Financial conditions

(In millions of yen, figures rounded down)

	September 30, 2006	September 30, 2005	March 31, 2006
Total assets	621,512	612,024	643,990
Net assets	470,039	440,033	461,646
Equity ratio	75.6%	71.9%	71.7%
Net assets per share (in yen)	2,089.32	1,955.69	2,051.44

Note 1. Number of common shares outstanding:

As of September 30, 2006: 224,972,414 shares

As of September 30, 2005: 225,001,507 shares

As of March 31, 2006: 224,986,720 shares

Note 2. Number of shares of common stock in treasury:

As of September 30, 2006: 8,316,303 shares

As of September 30, 2005: 8,287,210 shares

As of March 31, 2006: 8,301,997 shares

2. Projections for the nonconsolidated financial results for the fiscal year ending March 31, 2007 (April 1, 2006 – March 31, 2007) (In millions of yen)

	Year ending March 31, 2007
Projected revenue	327,900 4.7%
Projected operating profit	73,400 1.7%
Projected ordinary profit	75,900 7.0%
Projected net income	46,600 6.2%

Projected basic net income per share (for the full year): JPY 207.14

Note 1. Projection statements above include estimates based on current plans, assumptions and prospects and may differ from actual performance because of risks and uncertainties.

Note 2. Percentage numbers shown in revenue, operating profit, ordinary profit and net income represent the change from the results of the corresponding period of the previous year.

3. Dividends

(in yen)

	Year ending March 31, 2007		Year ended March 31, 2006
	Projections	Actual	
Interim dividends per share	–	–	–
Year-end dividends per share	60.00 – 65.00	–	60.00
Annual dividends per share	60.00 – 65.00		60.00

Note: Projection statements above include estimates based on current plans, assumptions and prospects and may differ from actual performance because of risks and uncertainties.

Nonconsolidated Balance Sheets

(in millions of yen)

	September 30, 2006		September 30, 2005		March 31, 2006	
	Amount	% of Total Assets	Amount	% of Total Assets	Amount	% of Total Assets
ASSETS:						
Current assets:						
Cash on hand and in banks	130,125		141,528		167,097	
Notes receivable	420		481		476	
Due from subscribers	10,413		9,490		9,475	
Accounts receivable, trade	6,088		5,127		6,447	
Short-term investments	451		451		451	
Inventories	7,118		7,893		6,879	
Short-term loans receivable to subsidiaries and affiliates	13,608		30,306		12,587	
Other	11,781		32,446		12,818	
Allowance for doubtful accounts	(1,414)		(2,574)		(604)	
Total current assets	178,593	28.7%	225,151	36.8%	215,630	33.5%
Fixed assets:						
Tangible assets:						
Buildings and improvements	22,606		23,538		22,811	
Security equipment and control stations	62,483		61,116		59,442	
Land	32,207		34,825		32,200	
Other	8,600		7,602		7,966	
Total tangible assets	125,897	20.3%	127,083	20.8%	122,419	19.0%
Intangible assets:						
Telephone and telegraph utility rights	96		133		112	
Software	5,103		6,300		6,420	
Other	2,748		2,065		83	
Total intangible assets	7,948	1.3%	8,499	1.4%	6,615	1.0%
Investments and others:						
Investment securities	41,719		29,370		46,166	
Investment securities in subsidiaries and affiliates	150,055		159,612		149,535	
Investment in subsidiaries	1,074		917		974	
Long-term loans receivable to subsidiaries and affiliates	49,520		-		40,085	
Other	73,857		66,400		70,561	
Allowance for doubtful accounts	(7,153)		(5,010)		(7,998)	
Total investments and others	309,073	49.7%	251,290	41.0%	299,324	46.5%
Total fixed assets	442,919	71.3%	386,872	63.2%	428,359	66.5%
Total Assets	621,512	100.0%	612,024	100.0%	643,990	100.0%

Nonconsolidated Balance Sheets (Contd.)

(in millions of yen)

	September 30, 2006		September 30, 2005		March 31, 2006	
	Amount	% of Total Assets	Amount	% of Total Assets	Amount	% of Total Assets
LIABILITIES:						
Current liabilities:						
Accounts payable	2,781		2,799		3,168	
Bank loans	26,102		27,540		26,069	
Current portion of straight bonds	-		30,000		30,000	
Payables – other	11,374		9,699		12,987	
Accrued income taxes	14,750		12,445		15,312	
Accrued consumption taxes	1,908		1,397		1,509	
Accrued expenses	464		635		651	
Deposits received	35,033		31,042		34,442	
Deferred revenue	22,839		22,371		22,371	
Accrued bonuses	5,740		5,215		5,232	
Accrued bonuses to directors	49		-		-	
Other	5,335		4,914		5,573	
Total current liabilities	126,379	20.3%	148,061	24.2%	157,317	24.4%
Long-term liabilities:						
Guarantee deposits received	18,354		18,268		18,244	
Accrued pension and severance costs	5,504		5,662		5,581	
Accrued retirement benefits for directors and corporate auditors	1,235		-		1,201	
Total long-term liabilities	25,094	4.1%	23,930	3.9%	25,027	3.9%
Total liabilities	151,473	24.4%	171,991	28.1%	182,344	28.3%
SHAREHOLDERS' EQUITY:						
Common stock	-	-	66,377	10.8%	66,377	10.3%
Capital surplus:						
Additional paid-in capital	-	-	83,054		83,054	
Total capital surplus	-	-	83,054	13.6%	83,054	12.9%
Retained earnings:						
Legal reserve	-	-	9,028		9,028	
Voluntary reserve	-	-	3,036		3,036	
Unappropriated retained earnings	-	-	319,259		339,293	
Total retained earnings	-	-	331,324	54.2%	351,358	54.6%
Unrealized gains (losses) on securities	-	-	3,939	0.6%	5,604	0.9%
Common stock in treasury, at cost	-	-	(44,662)	(7.3%)	(44,749)	(7.0%)
Total shareholders' equity	-	-	440,033	71.9%	461,646	71.7%
Total liabilities and shareholders' equity	-	-	612,024	100.0%	643,990	100.0%
NET ASSETS:						
Shareholders' equity:						
Common stock	66,377	10.7%	-	-	-	-
Capital surplus:						
Additional paid-in capital	83,054		-	-	-	-
Other capital surplus	1		-	-	-	-
Total capital surplus	83,055	13.3%	-	-	-	-
Retained earnings:						
Legal reserve	9,028		-	-	-	-
Other retained earnings:						
Reserve for systems development	800		-	-	-	-
General reserve	2,212		-	-	-	-
Accumulated earnings carried forward	350,877		-	-	-	-
Total retained earnings	362,917	58.4%	-	-	-	-
Common stock in treasury, at cost	(44,833)	(7.2%)	-	-	-	-
Total shareholders' equity	467,516	75.2%	-	-	-	-
Valuation, translation adjustments and others:						
Unrealized gains (losses) on securities	2,522		-	-	-	-
Total valuation, translation adjustments and others	2,522	0.4%	-	-	-	-
Total net assets	470,039	75.6%	-	-	-	-
Total liabilities and net assets	621,512	100.0%	-	-	-	-

Nonconsolidated Statements of Income

(in millions of yen)

	Six months ended September 30, 2006		Six months ended September 30, 2005		Change		Year ended March 31, 2006	
	Amount	% of Revenue	Amount	% of Revenue	Amount	%	Amount	% of Revenue
Service charges and sales of merchandise	159,477	100.0%	153,416	100.0%	6,060	4.0%	313,096	100.0%
Cost of service and sales	87,585	54.9%	82,856	54.0%	4,728	5.7%	171,803	54.9%
Gross profit	71,892	45.1%	70,560	46.0%	1,331	1.9%	141,293	45.1%
Selling, general and administrative expenses	35,185	22.1%	34,274	22.3%	911	2.7%	69,121	22.0%
Operating profit	36,706	23.0%	36,285	23.7%	420	1.2%	72,172	23.1%
Non-operating income	5,740	3.6%	4,472	2.9%	1,267	28.3%	6,299	2.0%
Non-operating expenses	2,416	1.5%	2,905	1.9%	(489)	(16.8%)	7,506	2.4%
Ordinary profit	40,030	25.1%	37,853	24.7%	2,177	5.8%	70,964	22.7%
Extraordinary profit	64	0.0%	1,249	0.8%	(1,184)	(94.8%)	6,147	1.9%
Extraordinary loss	55	0.0%	874	0.6%	(818)	(93.7%)	5,615	1.8%
Income before income taxes	40,040	25.1%	38,228	24.9%	1,812	4.7%	71,496	22.8%
Income taxes - current	14,480	9.1%	12,072	7.9%	2,407	19.9%	24,766	7.9%
Income taxes - deferred	403	0.2%	2,309	1.5%	(1,905)	(82.5%)	2,850	0.9%
Net income	25,156	15.8%	23,845	15.5%	1,310	5.5%	43,879	14.0%
Appropriated retained earnings at beginning of the period	-		295,414		-	-	295,414	
Unappropriated retained earnings	-		319,259		-	-	339,293	

Nonconsolidated Statement of Changes in Net Assets

Six months ended September 30, 2006

(In millions of yen)

	Shareholders' equity									
	Common stock	Capital surplus			Retained earnings					Total retained earnings
		Additional paid-in capital	Other capital surplus	Total capital surplus	Legal reserve	Other retained earnings				
						Reserve for systems development	Reserve for tax deferral on asset replacement	General reserve	Accumulated earnings carried forward	
Balance as of March 31, 2006	66,377	83,054	-	83,054	9,028	800	24	2,212	339,293	351,358
Changes during the period:										
Cash dividends									(13,499)	(13,499)
Bonuses to directors									(98)	(98)
Reversal of reserve for tax deferral on asset replacement							(24)		24	-
Net income									25,156	25,156
Purchase of treasury stock										
Disposal of treasury stock			1	1						
Net changes of items other than shareholders' equity										
Total changes during the period	-	-	1	1	-	-	(24)	-	11,583	11,558
Balance as of September 30, 2006	66,377	83,054	1	83,055	9,028	800	-	2,212	350,877	362,917

	Shareholders' equity		Valuation, translation adjustments and others		Total net assets
	Common stock in treasury, at cost	Total shareholders' equity	Unrealized gains (losses) on securities	Total valuation, translation adjustments and others	
Balance as of March 31, 2006	(44,749)	456,041	5,604	5,604	461,646
Changes during the period:					
Cash dividends		(13,499)			(13,499)
Bonuses to directors		(98)			(98)
Reversal of reserve for tax deferral on asset replacement		-			-
Net income		25,156			25,156
Purchase of treasury stock	(101)	(101)			(101)
Disposal of treasury stock	16	17			17
Net changes of items other than shareholders' equity			(3,082)	(3,082)	(3,082)
Total changes during the period	(84)	11,475	(3,082)	(3,082)	8,392
Balance as of September 30, 2006	(44,833)	467,516	2,522	2,522	470,039